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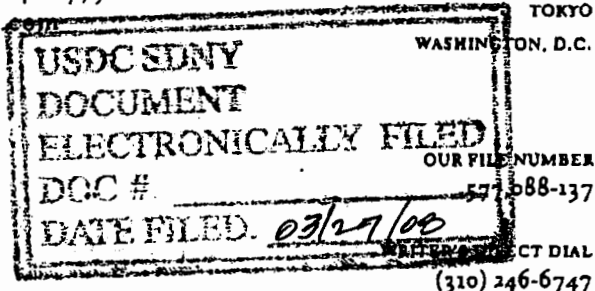
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MEMO ENDORSED

March 26, 2008

VIA FACSIMILE (212) 805-6712

The Honorable Kevin N. Fox
United States District Court
40 Centre Street, Room 540
New York, NY 10007



**Re: Sonopress GmbH v. Metro-Goldwyn-Mayer Home Entertainment LLC-
1:07-cv-03752-LTS-KNF**

Dear Magistrate Judge Fox:

We represent Defendant Metro-Goldwyn-Mayer Home Entertainment LLC ("MGM") in the above-captioned matter. We write on behalf of ourselves and counsel for Sonopress GmbH ("Sonopress"), who has approved this letter, to update the Court regarding the progress of the case and request a brief adjournment of the telephonic status conference currently scheduled for March 31, 2008 at 10:15 a.m.

Since we last appeared before Your Honor, the parties have engaged in negotiations, with business representatives of MGM traveling to Sonopress's headquarters in Gütersloh, Germany, and Sonopress representatives traveling to MGM's headquarters in Los Angeles, California. The parties have made substantial progress and have exchanged term sheets for a new business relationship that would resolve the litigation. Because of the Easter Holiday, the principals of the parties have been unavailable to directly discuss some of the issues this week, although they have exchanged e-mail communications and arranged for further discussions early next week.

In light of those circumstances, the parties request that the Court adjourn the telephonic status conference to Friday, April 4. In addition to the fact that this will make it possible to give Your Honor a clearer picture of the settlement posture of this case, lead counsel for Sonopress is engaged in an arbitration in another matter on March 31.

In addition, the parties believe that moving forward with the several depositions scheduled for April would be detrimental to reaching a final settlement. Accordingly, the parties have agreed to a temporary hold on the litigation and request that the Court enter an order extending all deadlines (including, without limitation, case management deadlines, deadlines to respond to outstanding discovery requests, deadlines for witnesses who have been deposed to

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review and sign their depositions) for a period of thirty (30) days. In the event that the parties do not settle the case over the next month, the parties will report back to the Court with a proposed revised schedule, and request that Your Honor set new case management deadlines.

We appreciate Your Honor's time in addressing these matters.

Very truly yours,



Alan Rader
of O'MELVENY & MYERS LLP

cc: Claudia L. Ray, Esq.
Alan Kanzer, Esq.
Karl Geercken, Esq.
Amber Wessels, Esq.

3/27/08

The telephonic status conference,
previously scheduled for March 31, 2008,
will be held on April 4, 2008, at 10:15 a.m.
At that time, if necessary, the Court will
address the parties' application to modify
the schedule filed for their pretrial
activities.

SO ORDERED:
Kevin Nathaniel Fox

KEVIN NATHANIEL FOX, U.S.M.J.